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## **IOWA TIFs**

TIF (Tax Increment Financing) as part of urban renewal is one of the best tools for economic and housing development in Iowa. Most cities and some counties across Iowa utilize TIF to its fullest potential with great success. With legal guidance from bond counsel, cities and counties can rest assured that they have complied with all of the requirements in developing an urban renewal plan. One of the biggest concerns that we hear is the inability to account and balance the urban renewal district with the general taxation. The fear is if the public agency levies too much in the urban renewal area, will it have enough increase tax value to operate the General Fund.

Several years ago Speer Financial, Inc. developed a TIF report for our Iowa clients. The report is a summary of the amount of debt that is outstanding, the amount of TIF debt that is outstanding, any tax rebates that have been authorized, the current debt capacity of the community and the amount of value and TIF taxes that are available for future development. The report is produced and distributed to city and county officials and is updated on an annual basis as valuations and debt capacity change. The report is produced to allow for easy updates. This report has proven to be a useful tool to identify and keep track of the financial health of an urban renewal area. Should you need additional information regarding the TIF report, please contact our Iowa office at 319-291-2077.

## **NOT FOR PROFIT BONDS**

A little known fact about public finance is that a not-for-profit 501(c)(3) organization can borrow money for a project at a tax-exempt rate the same as public agencies such as cities, counties and schools. Speer Financial has assisted many of these organizations in financing costs through what is called a conduit bond. The public agency, i.e. city or county, acts as a host for the financing, but is totally free of any liability for the repayment. This is a great opportunity for a public agency to assist a 501(c)(3) organization and help them finance their project. If you know of a 501(c)(3) organization, i.e. hospital, nursing home, etc., that is looking at locating in your community, please have them contact Speer Financial for assistance.

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